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1. The history of the textile industries in Croatia dates from the years 1905 - 1907. They were started up for the production of linen, as this was the richest part of the Hapsburg Empire for the cultivation of flax. The woolen and silk industries are of a later date. The artificial silk industry dates from the days immediately preceding World War II. The development of these industries can be sub-divided into three phases:

Phase I - from 1905 to 1921

Phase II - from 1921 to 1939

Phase III - from 1945

Phase I

2. This is characterized by an industrial development which was created in Croatia as an accessory to the Austrian industry of the period. There was no question of a plan to bring the province up to the economic level of the remainder of the Hapsburg Empire. For this reason, the textile industries had no organized system nor were their locations necessarily such as to give the maximum return.
3. The industries were never equipped with new machinery but with a residue from Austrian plants. It was more economical to use the obsolete plants in Croatia where the wage level was fifty percent lower than in Austria. This semi-colonial aspect of labor gave rise to industrial speculation in which Austrian capital played the leading role.

Phase II

- h. This phase, the post war period after World War I, had the following characteristic traits:
- a. Influx of Austrian capital into Croatia, Slovenia and part of Vojvodina.
 - b. A large number of investments over the period 1921-1929. The reasons for these investment were:
 - 1) The collapse of the Austro-Hungarian Empire and the restriction of

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the Austrian textile industries to Austrian national territory brought about a shortage of raw materials in Austria and also gave rise to new customs barriers formed by the new states.

- 2) Yugoslavia had no noticeable textile industries except for a few plants in Croatia and Slovenia. The Yugoslav Government extended the greatest facilities to foreign capital. This encouraged investments as there was a possibility of great returns for this capital. Austria enjoyed a privileged position in this respect.
- 3) The Austrians knew best the Yugoslav market and the means of rendering the industry independent of foreign sources of raw materials owing to the former commercial links with the Hapsburg Empire.

6. The quality of the plants was still inferior to the more recent Austrian equipment. Of greater value were the specialists who came to Yugoslavia from Austria.

6. This second period did not represent nationalized capital investments on a national scale. Capital was invested according to the speculative criteria of maximum profit. There was a period of collapse between 1929 - 1932 and the industry picked up again after 1933 to reach its highest level in 1939.

War Period

6. During the years 1941 - 1945 production dropped to 70 percent of the pre-war period in Croatia. In Slovenia, which was under German occupation, and integrated with the Third Reich, production jumped to 125-150 percent of the pre-war period by the installation of a new plant at Maribor. The other zones suffered a minimum amount of damage. This is the one industry in Yugoslavia which was almost 100 percent preserved during World War II.

Phase III

6. Phase III started after World War II and consisted of the following reorganizations:

a. Industrial

- 1) Administrative and functional reorganization.
- 2) Nationalization of factory work.
- 3) Modernization of old factories.
- 4) New machinery in already existing factories.
- 5) New factories.
- 6) New combines.

b. Raw materials

- 1) Reorganization of the zones sown with the plants necessary for the textile industries.
- 2) New plantations.
- 3) Experiments with new industrial plants, particularly with cotton.

c. Training of staff

- 1) Founding of two technical schools for textile specialists.

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- 2) Institution of a three-year course at the Engineering Faculty at Ljubljana University.

d. Shock cadres

- 1) Specialist cadres composed of the best technical personnel were formed. In order to increase the productive capacity of the industries and to facilitate the employment of new labor, the formation of "minor cadres" was started to demonstrate the inadequacies of former experience.

9. Factories were regrouped according to affinity of production and not strictly according to their specialized output. Production standards, to be adhered to vigorously, were introduced under the Five Year Plan, a line taken from Soviet planning.

Textile Factories

10. Nova Ves Cotton Mill, Karlovac (Federal plant)

- a. This mill was founded with Czech and German capital investments. Extra German capital was put into the mill after 1937, particularly during World War II. It is the largest cotton mill in the Balkans.

b. Equipment:

Hydraulic presses - United States type Hunter.

Machinery: Mainly German and Czech including Hrisek type; also approximately 30 new bearing machines manufactured by the 4 May works at Rijeka.

c. Raw materials

- 1) The mill is dependent for 75 to 78 percent on supplies from abroad, particularly cotton thread from Great Britain and Italy, and raw cotton from Egypt.
- 2) The remaining 22 to 25 percent of supplies come from the following areas: Popovo-Polje (Hercegovina), Donje-Konavlje-Poljica (Hrvatska), Grbalj, Crmnica, Crnojevic-Rijeka, Nikopolje and the Bistrica and Struma areas of Macedonia.
- 3) Foreign exchange difficulties have been experienced and supplies of cotton from abroad are not always regular.

d. Markets

- 1) Immediately after World War II, products were exported to Albania and Bulgaria. This has ceased since the break with the Cominform countries.
- 2) Cotton products are put on the normal consumer's market as and when production for the Ministry of Defense allows it.

- e. Nationalization and reorganization: Production was nationalized and specialized production reorganized during the period 1947 - 1948. New departments include:

- 1) Department for cleaning cotton in bales.
- 2) Automatic carding machines, electric powered.
- 3) Three spinning departments using Italian made machinery.

Production has increased 25 to 30 percent over production in 1939.

- f. There are approximately 2,800 workers of both sexes. A shortage of engineers has been experienced with the return of Czech engineers to

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11. Hateks Woolen Factory, Karlovac (Federal plant)

- a. The Hateks factory was reorganized and modernized in 1947, and new weaving machines installed. It is planned to increase the size of this mill; the present establishment is merely the smallest part of that projected under the Five Year Plan. The factory is divided into the following departments:

Spinning
Weaving
Dyeing
Finishing

- b. Wool is both imported and home produced. Only luxury materials are produced, which are reserved for export and the State free market.
- c. There are approximately 450 employees, excluding the office staff.

12. Gaon Synthetic Fiber Works, Zagreb (Federal plant)

- a. The Gaon factory was constructed in 1927 and has been continually enlarged since that time. It was equipped with new machinery which arrived from Austria in 1947. The factory was seriously damaged by an explosion the same year.
- b. The raw materials used by the factory are imported. The factory produces rayon and nylon products such as stockings and underwear. The production is for the local markets in Zagreb and the surrounding area rather than the national market. There are between 280 and 330 workers employed in the factory; 90 percent are women.

13. Leon Woolen Factory, Zagreb (State plant)

- a. The Leon woolen factory was built in 1946-1948. It consists of all departments from that of the cleaning of dirty wool to weaving machines. Cloth from wool residue and indigenous wool is produced. The quality of the production is very poor. Most of the machinery in use is of Czechoslovak origin.
- b. The number of workers employed in 1947/48 was between 520 and 550.

14. Jugoteks Textile Combine, Osijek (Federal plant)

- a. The Jugoteks works are the first Yugoslav textiles combine. They comprise a woolen factory, cotton mill and plant for the preparation of artificial silk thread, rayon and fiber glass.
- b. Artificial silk and rayon are only processed into thread. The remainder of the products consist of the complete range of output of the wool and cotton mills including glass wool fabric. All standard types of cotton and wool mixture materials are produced, however no pure cotton products are manufactured. The output is sent to the open market.
- c. In November 1948 the number of workers rose to 2,400, an increase of 10 percent over 1946/47 and 25 percent over 1939.

15. Tekstilija Woolen Factory, Varazdin (Federal plant)

- a. The Tekstilija factory is the former Tivar works. It is now one of the most modern in Central Europe. New machinery of Czech, East German and Russian origin was installed during 1947 and 1948. The Russian machinery was far superior to the United States equipment, particularly the hydraulic presses. The Hunter press is much slower in operation with a resultant inferior return during the day.
- b. The wool washing machines came from Leipzig and Prague. They are of the type which wash the wool and at the same time cleanse it

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mechanically of all vegetable content and impurities by passing it through revolving cylinders. The wool is fed directly from them to the carding machines. In cases of less expensive materials, it can be passed directly to the chemical baths.

- c. The chemical baths were constructed in 1948 near those which were built in 1932. Their capacity is ten times greater than that of the old baths. All types of dyes for woolen cloth, staple fiber cloth, fiber glass, rabbit wool admixtures and wool which is used by the modern plastics industries are there. All actions are water-tight and are kept at temperatures varying from 180°C to 210°C and from 245°C to 260°C, according to the treatment necessary. There are special departments for the purification of the wool on an acid bath basis and for purification on a carbon basis.
- d. Cotton thread, which arrives at the factory in an unpurified state, is passed once more through a calcium-chloro-hypochlorate solution, or a sodium carbonate solution. Other modern Czech solutions are used when needed.
- e. The organization of the establishment is extremely good. The quality of the products is up to the standards laid down for the admixture of wool with cotton, staple fiber, et cetera. The factory specializes in five types of woolen products:
 - 1) Heavy cloth - tweed type
 - 2) Light cloth
 - 3) Heavy woolen materials
 - 4) Plastic materials cloths
 - 5) Sub-products not used for clothing
- f. The number of workers employed has increased from 2,100 pre-war to 6,000 in 1948.

16. Krapina Linen Factory, Krapina (State plant)

- a. The Krapina linen factory was constructed over the period 1946 to 1948. All equipment is new and produced in Yugoslavia. The production consists of all varieties of linen cloth. Supplies of raw materials far exceed the capacity of the factory. The factory management has organized an artisan group for national embroidery which is exported to the United States.
- b. There were 180 to 220 workers employed in 1948.

17. Bjelana Cotton Mill, Zagreb (State plant)

- a. The Bjelana cotton mill is one of the oldest in Croatia. The output is limited to pure cotton products. Next to the cotton mill there is a shirt making plant, which provides cotton garments for the Yugoslav Army. The open market is only supplied with a minimum amount of products. These plants have not been renovated since the war.
- b. There are approximately 650 workers employed in the factory.

18. Prva Hrvatska Tekstilna, Zagreb (State plant)

- a. This factory was built in 1908. It was a subsidiary of the Austrian firm of Herovan Boha, which the Croatian shareholders bought up from the Austrian shareholders in 1918. It was renovated in 1936 and equipped with 32 weaving machines of German origin. A complete restoration of the plant was envisaged under the Five Year Plan.
- b. Production of this factory has been limited to the manufacture of cloth from woolen thread which is delivered already prepared to the factory.

19. Mariborska Tekstilna, Maribor (Federal plant)

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exclusively for the German Army. It is one of the three large woolen mills in Yugoslavia.

- b. The factory is newly equipped, particularly the dyeing and cleansing departments. The weaving machinery is of German origin. Most of the output is imported to the Middle East.

20. Slotex Woolen Goods Factory, Sen Vid (State plant)

- a. Slotex is a new small model factory. The quality of production is extremely good. The output consists of pull-overs, socks and other winter garments which are sent either to the Yugoslav Army or the open market.
- b. Approximately 80 workers of both sexes are employed in the factory.

21. Slovenska Tovarna Pradla, Celje (State plant)

- a. Although this factory was founded before 1914, it has been renovated so often that nothing is left of the original establishment. The cotton mill has 102 weaving machines and its theoretical capacity is larger than that of Nova Ves. As its equipment is considerably older, the output is much lower.
- b. Cotton thread is supplied to the factory from North Italy; a small amount comes from home production.
- c. Approximately 500 to 700 workers are employed in the plant.

22. Svitex, Novi Sad (State plant)

- a. These are the former Micic-Kammler works which were built in 1932 for the processing of rayon thread imported from Italy. During 1947 a new factory was built for the manufacture of rayon from straw and reed cellulose of which the region has rich supplies.
- b. Production of rayon had not started by the end of 1948. The building was finished and so were the internal installations. Hydraulic presses and some washing plants were still lacking. The machinery had for the greater part been imported from Italy.
- c. Other equipment consisted of 11 weaving machines in the old works of which four processed rayon and the others a mixed yarn.
- d. Number of workers:
 - 1) Pre-war plant 220 to 250, increasing to 350 after the liberation.
 - 2) New plant - a planned minimum of 500 workers.

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